CONSENT AGENDA

AGENDA ITEM 12.11
TO: Mayor and City Council

FROM: Robert Murdoch, Director
Public Works Department

SUBJECT: PURCHASE OF FIVE HYBRID SEDANS (PUR 11-062) AND APPLICATION FOR SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT PUBLIC BENEFIT GRANT PROGRAM FUNDING

RECOMMENDATION

It is recommended that the City Council:

1. Approve a motion authorizing the purchase of five hybrid sedans from Toyota Town of Stockton, California, in the amount of $126,257.40.

2. Adopt a resolution authorizing the City Manager to apply for San Joaquin Valley Air Pollution Control District (SJVAPCD) Public Benefit Grant Program funding for this purchase, in the amount of $100,000.

These recommended actions will also authorize the City Manager to take appropriate actions to carry out the purpose and intent of the respective motion and resolution.

Summary

Five of the general purpose sedans in the City’s Fleet need to be replaced and sufficient funding has been appropriated in the current fiscal year budget for their replacement. The purchase of five hybrid sedans was put out to bid, and on October 20, 2011, three bids were received with Toyota Town of Stockton, California, being the lowest responsive bidder with a bid of $126,257.40.

In addition, the City is eligible for SJVAPCD Public Benefit Grant Program funding of $20,000 per vehicle up to a maximum of $100,000 for the purchase of hybrid sedans. Since this grant funding must be received prior to the purchase of the vehicles, the recommended actions will authorize the submission of a grant application and approve the purchase of the five hybrid sedans. However, the purchase of the sedans will be delayed until either all or a portion of the grant funding is available or the grant application is denied.
DISCUSSION

Background

There are 36 units in the City's Fleet Section of general purpose sedans, 13 of which are assigned to the Municipal Utilities Department (MUD). The Fleet Manager has identified five of these sedans to have high mileage and mechanical problems, making them unreliable for continued daily use and cost prohibitive to repair. Two of these vehicles are assigned to the Fire Department, two are assigned to MUD, and one is assigned to the Economic Development Department. Replacement of three of these vehicles is provided for in the fiscal year 2011/2012 Replacement Budget for the Fleet Internal Service Fund. MUD, which funds replacement of all of its equipment outside of the Fleet Internal Service Fund, will provide the funding to replace its two vehicles.

The sedans being replaced are City No. 2536 (a 1996 Chevy Cavalier with 132,038 miles) and City Nos. 2564 and 2587 (two 1997 Chevy Cavaliers with 106,993 and 163,552 miles, respectively). The MUD vehicles are City Nos. 2576 and 2614 (two 1998 Chevy Luminas with 88,189 and 106,588 miles, respectively).

The City is eligible to submit an application for grant funding from the SJVAPCD for the purchase of new alternate fuel vehicles for up to $20,000 per vehicle and up to $100,000 total funding per agency. The purpose of the SJVAPCD Public Benefit Grant Program is to fund the purchase of new electric, hybrid, or alternative fuel vehicles, which will provide a direct benefit to the San Joaquin Valley area residents. If the grant application is approved, the City's portion of the total cost for the five sedans will be reduced to $26,257.40. According to the requirements of the grant, the grant application must include the purchase price of the vehicles, however, the vehicles cannot be ordered or purchased prior to grant approval and execution of the grant contract with SJVAPCD.

Present Situation

The Notice Inviting Bids for the purchase of five hybrid sedans was published in The Record on Saturday and Sunday, October 1 and 2, 2011. At the same time, a notification was e-mailed through ASK Stockton to 2,461 recipients.

On October 20, 2011, three bids were received with the following results:

Toyota Town
2150 E. Hammer Lane
Stockton, CA 95210

$126,598.15
PURCHASE OF FIVE HYBRID SEDANS (PUR 11-062) AND APPLICATION FOR SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT PUBLIC BENEFIT GRANT PROGRAM FUNDING

Tracy Ford
3500 Auto Plaza Way
Tracy, CA  95304

Towne Ford Sales
1601 El Camino Real
Redwood City, CA  94063

$139,112.16
$140,902.75

The lowest responsive bidder, Toyota Town of Stockton, California, meets the bid specifications and is regular in all respects, other than a minor mathematical error that did not affect the order of the bids. The corrected bid from Toyota Town is $126,257.40.

The recommended actions will authorize the submission of a grant application and the purchase of the five hybrid sedans. However, the purchase of the sedans will be delayed until either all or a portion of the grant funding is available or the grant application is denied.

The sedans being replaced will either be sold at auction or, if wrecked, used as parts cars and sold as scrap.

FINANCIAL SUMMARY

Sufficient funds are available in the Fleet Internal Service Fund, Account No. 501-5060-670.80-02 ($75,754.44) and in the MUD Wastewater Capital Outlay Account No. 431-4312-606.87-09 ($50,502.96) for five hybrid sedans.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Five Hybrid Sedans</td>
<td>$116,905.00</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>$9,352.40</td>
</tr>
<tr>
<td>Total Purchase Price</td>
<td>$126,257.40</td>
</tr>
<tr>
<td>If SJVAPCD Public Benefit Grant Program funding approved</td>
<td>-$100,000.00</td>
</tr>
<tr>
<td>Total City’s portion if SJVAPCD Public Benefit Grant Program funding approved</td>
<td>$26,257.40</td>
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The City Manager is authorized to record any and all transactions necessary to carry out the purpose and intent of the respective motion and resolution.
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Respectfully submitted,

[Signature]

ROBERT MURDOCH, DIRECTOR
PUBLIC WORKS DEPARTMENT

[Signature]

MICHAEL E. LOCKE
DEPUTY CITY MANAGER

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Resolution No. ________

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT PUBLIC BENEFIT GRANT PROGRAM FUNDING

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City of Stockton is hereby authorized to submit an application for grant funding for the San Joaquin Valley Air Pollution Control District (SJVAPCD) for the purchase of new alternate fuel vehicles for up to $20,000 per vehicle and up to $100,000 total funding per agency.

2. The alternative fuel vehicles will not be ordered or purchased prior to grant approval and execution of the grant contract with SJVAPCD.

3. The City Manager is authorized to record any and all transactions necessary to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED December 13, 2011.

ATTEST: ANN JOHNSTON, Mayor of the City of Stockton

BONNIE PAIGE, City Clerk of the City of Stockton

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